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ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Written statement* submitted by the World Alliance of Reformed Churches, a non-governmental organization in special consultative status

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[26 December 2001]

*This written statement is issued, unedited, in the language(s) received from the submitting non-governmental organization(s).

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Representatives from Orthodox, Protestant and Roman Catholic churches from Central and Eastern Europe, along with resource persons involving a number of professional economists, met in June 2001 in Budapest, at the invitation of the World Council of Churches (WCC), the World Alliance of Reformed Churches (WARC), the Conference of European Churches (CEC). The consultation aimed at evaluating 10 years of economy in transition and its social consequences from Christian perspective. This intervention is based on its outcome.

To be more vigilant

About a decade ago, we, the people in Central and Eastern Europe rejoiced as we realized we were free. It was as if a deep shadow had passed by and full daylight had returned.

As we review the past ten years, it becomes clear that the magnitude and content of the problems encountered have been grossly underestimated by both governments and churches. Also, as we listen to reports from those whose suffering is most severe, we conclude that not all their difficulties arise directly out of what happened more than ten years ago.

The countries in the region enjoy great cultural and religious diversity. We heard that some of them show economic growth, increasing employment and environmental improvements according to the data available. In the region as a whole, however, rising unemployment and the falling value of pensions and wages has plunged millions of women and men into poverty. UNDP statistics report that1
- In 1989 about 14 million people in the former communist block lived on less than four dollars a day. By the mid–nineties that number had risen to 147 million people.
- At the same time, and in sharp contrast, there has developed a new feature, that of excessive wealth for a small minority.
- Life expectancy fell significantly in some of the countries.
- Health care, schooling and education standards declined.
- Commerce based criminality grew rapidly.

These observations reveal shortcomings in the implementation of the International Covenant on Economic, Social and Cultural Rights (CESCR), and in particular Articles 11.1, 12.1 and 13.2. In this general context, WARC welcomes the statement on poverty and the international covenant on economic, social and cultural rights which the Committee On Economic, Social And Cultural Rights adopted on 4 may 2001 during its 25th session. It underlines that the aspirations expressed in this submission are indeed well founded in the ideals of Human Rights.

It is worth noting that the Covenant is silent on income distribution. Is there a point at which the gap between rich and poor is so wide that it offends the general idea of Human Rights?

Search for explanations

In relation to these facts, we felt a moral duty to search more diligently for additional explanations for the prevailing mood of disappointment and the sense of betrayal. We identified two main reasons behind the present difficulties in the region.

First was the actual way in which the challenge of the transformation of society was handled by most authorities after 1989. Whereas Communism had depended on unrestricted State planning, politicians and leaders now embraced the unrestrained market-mechanism as the path to a better future. They did not discern that a market without social, cultural, and institutional frameworks would undermine the very fabric of society. Privatisation, liberalisation and deregulation of the market for the sake of economic growth was made a

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1 United Nations Development Programme, Human Development Report for Central and Eastern Europe and CIS, New York 1999, www.undp.org/rbec/publications

prerequisite for receiving external loans and financial assistance . This neo-liberal 'shock therapy', requiring a shrinking role for the State, simply disabled existing social provisions for ordinary women and men.

Second was the dynamic released by 'globalisation'. It is a complex term. Where it refers to growing possibilities for genuine co-operation between nations and peoples with opportunities for communication and common action, it has a positive connotation. Our consultation, for instance, benefited greatly from the participation of Christians from many continents.

It has negative connotations where it refers to the dominance exercised by an ideology legitimizing and promoting the unrestrained activities of players in the global markets, and the unprecedented concentration of financial power in the hands of self-appointed 'rulers'. The unregulated flow of capital becomes the arbiter of the economic goodness or badness of all human or political actions. It is driven by powerful economic self interest. It commercializes human and institutional relationships and the very sources of life; the earth, water, air and even the human body itself. The ideology, power structures and practices entailed by this project accounts for dramatic changes in the economies and societies of Central and Eastern Europe. Its immediate effects are to put pressure on governments at all levels to cut social, medical, educational and environmental expenditure in order to be 'attractive' in the eyes of 'global' capital. Women and other vulnerable groups bear the greatest burden of its consequences.

Globalisation dramatically transforms the nature of power. Democratically elected governments and their delegates in international organisations are increasingly losing power to the growing influence of international bureaucracies, transnational corporations, media-owners and actors in the field of financial 'global' capital. We challenge these power structures, urging them to become more transparent, accountable and representative. Democracy should be reinstated in the new forms of decision-making, at local, national and international levels.

This ideological emphasis on privatisation at any price, has undermined existing infrastructures. Minimising the role of the state, it left the poor without adequate protection and support and opened the door to criminal and speculative activities. Irresponsible owners who had no interest in the fate of either companies or employees bought out many of the newly privatised enterprises and banks. Alternative paths to ownership were hardly considered, nor the idea that ownership brings social obligations.

The policy framework set by privatisation, liberalisation, deregulation and globalisation was not invented by the peoples of Eastern and Central Europe. Nor did it arrive borne on the wind It was adopted under strong pressure from international institutions, governments and powerful economic interests elsewhere. This raises the main question concerning the CESCR in this statement: is this behaviour compatible with Article 5.12?

Global finance should not be allowed to monopolise the decisive role in national and regional economies by rendering them over-dependent on Foreign Direct Investment and speculative capital. We strongly recommend that governments persist in striving for the development of their home economy, with special attention to the role of medium and small businesses, and warn them against prioritising export-orientation at their expense.

Governments should safeguard cultural values, the dignity and rights of all women and men, and their unhindered development. Economic globalisation in its present form threatens values such as justice, charity, peace and sobriety which are rooted in Christian traditions. It replaces them with the values of unrestrained consumerism and increasing commercialisation (or monetisation) of society. Education, health care, arts, sports, the media, the environment and

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2 Article 5.1 reads in particular "Nothing in the present Covenant may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights or freedoms recognized herein..."

even safety are increasingly dominated by financial considerations. The culture of economic rivalry is usurping the culture of social co-operation with adverse consequences for weak and vulnerable people.

Justice to the poor

This confusion about 'globalization' is often used as an alibi, not only by important international agencies, such as the IMF, the WTO and the World Bank, but also a growing number of national governments. They demand harsh sacrifices of ordinary women and men as indicated already. They do this despite reliable evidence that economic growth fails to promote human development unless there is

- adequate support for the poor, unemployed, and other vulnerable groups;
- environmental protection;
- transparency and accountability in government, and
- effective participation by civil society (including labor unions).

Policies justified in this way are contrary to both scientific findings and the core of Christian faith. They have to stop unconditionally and immediately. For, as it is stated so well in the recent Basic Social Concept of the Russian Orthodox Church:

> "...the danger of differences that may emerge between people's will and international organization's decisions should not be underestimated. These organizations may become instruments for the unfair dominion of strong over weak countries, rich over poor, the technologically and informationally developed over the rest. They may also practice double standards, by applying international law in the interest of more influential states."3.

Given this situation, our meeting arrived at the unequivocal conclusion:

No authority inside or outside the region should ever escape its responsibility to do justice to the poor and the needy by claiming the unavoidability of the requirements of globalization.

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3 cf. *The Foundations of the Social Concept of the ROC*, www.russian-orthodox-church.org.ru/sd00e.htm